

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 710

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DATE	D-PG	OFFICIAL STATUS
02/08/2021	276	Introduction and first reading Referred to Education Finance and Policy
03/08/2021		Comm report: To pass as amended Second reading

- 1.1 A bill for an act
- 1.2 relating to education; extending school district fund transfer flexibility; amending
Laws 2020, chapter 116, article 3, section 8.
- 1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.5 Section 1. Laws 2020, chapter 116, article 3, section 8, is amended to read:
- 1.6 Sec. 8. **FUND TRANSFERS; FOR FISCAL YEARS 2020 AND 2021 ONLY;**
1.7 **REVENUE REDIRECTION FISCAL YEAR 2021 ONLY.**
- 1.8 Subdivision 1. **Fund and account transfers allowed.** Notwithstanding Minnesota
1.9 Statutes, section 123B.80, subdivision 3, for fiscal years 2020 and 2021 only, a school
1.10 district, charter school, or cooperative unit may transfer any funds not already assigned to
1.11 or encumbered by staff salary and benefits, or otherwise encumbered by federal law, from
1.12 any accounts or operating fund to the undesignated balance in any other operating fund.
- 1.13 Subd. 1a. **Redirected revenue uses.** Notwithstanding any law to the contrary, for fiscal
1.14 year 2021 only, a school district may redirect any reserved or restricted revenue to another
1.15 use upon adoption of a written resolution of the school board. This authority applies to any
1.16 funds not already assigned to or encumbered by staff salary and benefits, or otherwise
1.17 encumbered by federal law.
- 1.18 Subd. 2. **No aid or levy effect.** A fund ~~or~~ transfer, account transfer, or redirection of
1.19 revenue is allowed under this section if the transfer or revenue redirection does not increase
1.20 state aid obligations to the district or school, or result in additional property tax authority
1.21 for the district. Redirected revenue, a fund transfer, or an account transfer is limited to the
1.22 operating funds and accounts of a school district, charter school, or cooperative unit.

2.1 Subd. 3. **Board approval required; reporting; audit trail.** (a) A fund or account
2.2 transfer under this section for fiscal year 2020 is effective June 30, 2020, and a fund or
2.3 account transfer under this section for fiscal year 2021 is effective June 30, 2021. The school
2.4 board must approve any fund or account transfer before the reporting deadline for the
2.5 respective fiscal year.

2.6 (b) A school board that redirects reserved or restricted revenue or uses revenue for a
2.7 different purpose than the specific purposes listed in statute for that revenue must adopt a
2.8 written resolution outlining the purpose for, and specifying the amount of, funds that are
2.9 redirected.

2.10 (c) A school district, charter school, or cooperative unit must maintain accounting records
2.11 for the purposes of this section that are sufficient to document ~~both~~ the specific funds
2.12 transferred or redirected and use of those funds. The accounting records are subject to auditor
2.13 review. Any execution of flexibility must not interfere with or jeopardize funding per federal
2.14 requirements. Any transfer or redirection of funds must not interfere with the equitable
2.15 delivery of distance learning or social distancing models.

2.16 Subd. 4. **Commissioner's guidance.** The commissioner must prepare and post to the
2.17 department's website a document providing guidance on the process for approval of fund
2.18 and account balance transfers authorized under this section.

2.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.